

# AUDIT REPORT

To the members of Society of Auctioneers & Appraisers (S.A) Inc.

## SCOPE

I have audited the Financial Statements of Society of Auctioneers & Appraisers (S.A) Inc. for the year ended 30<sup>th</sup> June 2011 consisting of Statement of Income and Expenditure, Balance Sheet and accompanying notes. The Board of the Society is responsible for the preparation and presentation of the Financial Statements and the information they contain. I have performed an audit of these Financial Statements in order to express an opinion on them to the members of the Society.

My audit has been planned and performed in accordance with Australian Accounting Standards to provide a reasonable level of assurances as to whether the Financial Statements are free of material misstatement. My procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the Financial Statements, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the Financial Statements are presented fairly and are in accordance with statutory requirements so as to present a view of the Society which is consistent with my understanding of its operations.

The Audit opinion expressed in this report has been formed on the above basis.

## AUDIT OPINION

In my opinion, the Financial Statements of Society of Auctioneers & Appraisers (S.A) Inc. are properly drawn up:-

- (a) So as to give a true and fair view of the state of affairs of the Society as at 30<sup>th</sup> June, 2011 and of the results of the Society's transactions for the year ended on that date and
- (b) In accordance with the provisions of the Associations Incorporation Act.



**PETER R. SAINT**  
CHARTERED ACCOUNTANT  
REGISTERED CO. AUDITOR NO. 5536

Dated Kent Town this 4<sup>th</sup> Day of August 2011.

# **Society of Auctioneers & Appraisers (SA) Inc.**

## **Annual Report for the Year Ended 30 June 2011**

<u>Contents</u>	<i>Page</i>
Statement of Financial Performance .....	1
Statement of Financial Position .....	2
Notes to the Accounts .....	3
Statement of Committee .....	7
Schedule of Fixed Assets .....	8

**Society of Auctioneers & Appraisers (SA) Inc.**  
**Statement of Financial Performance**  
**For the Year ended 30 June 2011**

	2011	2010
	\$	\$
<b>INCOME</b>		
Documentation Sales	26,638	32,350
Entrance Fees	-	4,500
Event & Training Income	77,416	62,391
Golden Gavel Nomination Fees	5,600	4,502
Membership Fees	108,459	95,719
Clerical Services	22,639	14,091
Interest Received	3,634	1,718
Sponsorships	66,000	76,000
Sundry Income	166	5,146
Gross Profit from Product Sales	1,633	4,269
	<u>312,185</u>	<u>300,686</u>
<b>EXPENDITURE</b>		
Audit and Accountancy Fees	1,350	1,300
Advertising	1,130	1,613
Bank Charges	2,745	1,931
Computer Software & Support	336	3,677
Depreciation - Office Equipment	358	472
Donations	2,473	686
Entertainment Expenses	2,369	-
Functions & Meetings	54,852	65,540
General Expenses	-	91
Golden Gavel - Trustee Fees, Prizes and Trophies	13,588	6,459
Insurance	2,450	2,487
Legal Costs	-	1,200
Permits, Licences & Fees	-	90
Postage & Courier	1,575	4,433
Printing & Stationery	14,219	23,729
Rent	15,455	14,919
Secretarial, Management Fees & Car expenses	71,236	57,721
Trainer Expenses	31,314	14,514
Superannuation Contributions - Employees	4,113	3,031
Telephone, Fax & Web Page hosting	13,212	12,048
Travelling Expenses	640	2,010
Wages	45,695	33,673
	<u>279,110</u>	<u>251,624</u>
<b>SURPLUS FOR YEAR</b>	<u>33,075</u>	<u>49,062</u>

*The accompanying notes form part of these financial statements.  
These financial statements have not been subject to audit or review and should be read in conjunction with the attached Compilation Report.*

**Society of Auctioneers & Appraisers (SA) Inc.**  
**Statement of Financial Position**  
**As at 30 June 2011**

	Note	2011 \$	2010 \$
<b>CURRENT ASSETS</b>			
Cash	1(a)	180,567	101,505
Receivables	2	10,532	48,808
Inventories	3	1,400	1,500
Other		695	-
<b>TOTAL CURRENT ASSETS</b>		<u>193,194</u>	<u>151,813</u>
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	4	<u>900</u>	<u>1,258</u>
<b>TOTAL NON-CURRENT ASSETS</b>		<u>900</u>	<u>1,258</u>
<b>TOTAL ASSETS</b>		<u>194,094</u>	<u>153,071</u>
<b>CURRENT LIABILITIES</b>			
Payables	5	-	2,898
Deferred Income	6	75,418	65,331
Current tax liabilities		<u>1,051</u>	<u>292</u>
<b>TOTAL CURRENT LIABILITIES</b>		<u>76,469</u>	<u>68,521</u>
<b>TOTAL LIABILITIES</b>		<u>76,469</u>	<u>68,521</u>
<b>NET ASSETS</b>		<u>117,625</u>	<u>84,550</u>
<b>EQUITY</b>			
Retained profits	7	<u>117,625</u>	<u>84,550</u>
<b>TOTAL EQUITY</b>		<u>117,625</u>	<u>84,550</u>

*The accompanying notes form part of these financial statements.  
These financial statements have not been subject to audit or review and should be read in conjunction with the attached Compilation Report.*

**Society of Auctioneers & Appraisers (SA) Inc.**  
**Notes to the Financial Statements**  
**For the Year ended 30th June 2011**

---

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

This financial report has been prepared for use by the members of the association and is a special purpose financial report . It has been prepared in order to satisfy the financial reporting requirements of the Associations Incorporation Act of South Australia. The committee have determined that the association is not a reporting entity.

The financial report has been prepared in accordance with the requirements of the following Australian Accounting Standards;

AAS 5 Materiality

AAS 8 Events Occurring After Reporting Date

No other applicable Accounting Standards, Urgent Issues Group Consensus Views or other authoritative pronouncements of the Australian Accounting Standards Board have been applied. The report is also prepared on an accruals basis and is based on historic costs and except where stated does not take into account changing money values or current valuations of non-current assets.

The following specific accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this report for Society of Auctioneers & Appraisers (SA) Inc. ;

**(a) Cash and Cash Equivalent**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

**(b) Employee Benefits**

Provision is made for the association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits have been measured at the amounts expected to be paid when the liability is settled.

**(c) Fixed Assets**

Office equipment are carried at cost less, where applicable, any accumulated depreciation.

The depreciable amount of all fixed assets are depreciated over the useful lives of the assets to the association commencing from the time the asset is held ready for use.

**(d) Inventories**

Inventories are measured at the lower of cost and net realisable value.

**Society of Auctioneers & Appraisers (SA) Inc.**  
**Notes to the Financial Statements**  
**For the Year ended 30th June 2011**

---

(e) **Revenue and Other Income**

Revenue from the provision of membership subscriptions is recognised on a straight line basis over the financial year.

All revenue is stated net of the amount of goods and services tax (GST).

(f) **Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the assets and liabilities statement are shown inclusive of GST.

**Society of Auctioneers & Appraisers (SA) Inc.**  
**Notes to the Financial Statements**  
**For the Year ended 30th June 2011**

	2011 \$	2010 \$
<b>2. Trade and Other Receivables</b>		
<b>Current</b>		
Trade Debtors	10,532	48,808
	<u>10,532</u>	<u>48,808</u>
<b>Total Trade and Other Receivables</b>	<u>10,532</u>	<u>48,808</u>
<b>3. Inventories</b>		
<b>Current</b>		
Stock on Hand	1,400	1,500
	<u>1,400</u>	<u>1,500</u>
<b>4. PROPERTY, PLANT &amp; EQUIPMENT</b>		
<b>Plant &amp; Equipment</b>		
Office Equipment	2,495	2,495
Less Accumulated Depreciation & Impairment	1,595	1,237
	<u>900</u>	<u>1,258</u>
<b>5. Trade and Other Payables</b>		
<b>Current</b>		
Trade Creditors	-	917
PAYG Withholding	-	1,981
Provision for GST	1,051	292
	<u>1,051</u>	<u>3,190</u>
<b>Total Trade and Other Payables</b>	<u>1,051</u>	<u>3,190</u>
<b>6. DEFERRED INCOME</b>		
<b>Current</b>		
Sponsorship Received in Advance	20,000	15,000
Subscriptions Received In Advance	55,418	50,331
	<u>75,418</u>	<u>65,331</u>

*These notes should be read in conjunction with the attached Compilation Report.*

**Society of Auctioneers & Appraisers (SA) Inc.**  
**Notes to the Financial Statements**  
**For the Year ended 30th June 2011**

---

	2011 \$	2010 \$
<b>7. Retained Earnings</b>		
Retained Earnings at the Beginning of the Financial Year	84,550	35,488
<b>Add</b>		
Net profit attributable to members of the company	33,075	49,062
<b>Less</b>		
Retained Earnings at the End of the Financial Year	<u>117,625</u>	<u>84,550</u>

*These notes should be read in conjunction with the attached Compilation Report.*



**Society of Auctioneers & Appraisers (SA) Inc.  
Statement by Members of the Committee**

---

The committee members have determined that the association is not a reporting entity. The committee members have determined that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The accompanying financial statements and notes of the company as at 30th June 2011

- a) present fairly the association's financial position as at 30th June 2011 and its performance for the year ended on that date in accordance with the accounting policies as described in Note 1 of the financial statements.
- b) comply with the Australian Standards as detailed in Note 1 of the financial statements.
- c) there are reasonable grounds to believe that the association will be able to meet its debts as and when they become payable.

This statement is made in accordance with a resolution of the committee.

.....  
Garry Topp

Dated

**Society of Auctioneers & Appraisers (SA) Inc.**  
**Depreciation Schedule**  
**For the Year Ended 30 June 2011**

Asset	Private Use	Cost Price	Cost Limit	Opening W.D.V 01/07/2010	Additions Disposals	Gain/Loss on Disposal	Capital Gains	--- Depreciation --- Rate	\$	Accum Deprec 30/06/2011	Closing W.D.V 30/06/2011
<b>PLANT &amp; EQUIPMENT</b>											
Laser Printer		708						25.0% PC	0	708	0
Printer		1,787		1,258				20.0% PC	358	887	900
Sub-total		2,495		1,258					358	1,595	900
<b>Total</b>		<b>2,495</b>		<b>1,258</b>					<b>358</b>	<b>1,595</b>	<b>900</b>